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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

New Caledonia

Working paper prepared by the Secretariat

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03-29658 (E) 070403 170403

I. General

1. New Caledonia[1] is located in the Pacific Ocean, about 1,500 kilometres east of Australia and 1,700 kilometres north of New Zealand. It comprises one large island, known as Grande Terre, and smaller islands known as the Loyalty Islands (Ouvéa, Maré, Lifou and Tiga), the Bélap Archipelago, the Isle of Pines and Huon Islands. There are also several uninhabited islands to the north of the Loyalty Islands. The area of Grande Terre is 16,750 square kilometres, and that of the Territory is 19,103 square kilometres. Nouméa, the capital, is located in the south of Grande Terre. The Territory is divided into three provinces, South and North (on Grande Terre) and the Loyalty Islands.

2. According to the 1996 census, the population was 196,836, comprising indigenous Melanesians known as Kanaks (42.5 per cent); persons of European origin, mainly French (37.1 per cent); Wallisians (8.4 per cent); Polynesians (3.8 per cent); and others, mainly Indonesians and Vietnamese (8.2 per cent). The census also showed almost half the population to be under 25 years old. In January 2002, the Statistics Office estimated the population to be 215,904 and projected that by 2025 the figure would rise to 332,000.[2] The majority of the population (68 per cent) lives in the South Province, mainly around the greater Nouméa area, while 21 per cent live in the North Province and only 10.6 per cent in the Loyalty Islands. In 1996, the native Kanak population made up 77.9 per cent of the population of the North Province and 97.1 per cent of the population of the Islands, but only 25.5 per cent of the population of the South Province. With respect to the Territory's second-largest population group, persons of European origin, 89 per cent live in the South Province. The official language is French, and about 28 Melanesian-Polynesian dialects are spoken.

3. The political and administrative structures of New Caledonia have been fundamentally altered by the Nouméa Accord (A/AC.109/2114, annex), signed in May 1998 between the Government of France, the pro-independence Front de libération nationale kanak socialiste (FLNKS) and the integrationist Rassemblement pour la Calédonie dans la République (RPCR). Under the terms of this Accord, the New Caledonian parties opted for a negotiated solution and progressive autonomy from France rather than an immediate referendum on political status. The transfer of powers from France began in 2000 and is to end in 15 to 20 years, when the Territory will opt for either full independence or a form of associated statehood. The political and legislative process that is under way and the new institutional arrangements in place in New Caledonia are described in section II below. The characteristics of New Caledonia's economy and employment, as well as current efforts to implement a policy of redressing economic and social imbalances between the more prosperous South Province and the less developed North Province and Loyalty Islands, are described in section III.

II. Political situation

A. Background

4. The Nouméa Accord provided for a number of steps towards a negotiated consensual solution for the future of the Territory. As stated in the preamble to the

agreement, "this solution will define the political organization of New Caledonia and the arrangements for its emancipation over the next 20 years". Among the steps to be taken were constitutional amendments, the creation of new institutions, the full recognition of Kanak identity and rights, the establishment of parameters for the electorate and the gradual transfer of powers from the French State to New Caledonian authorities.

5. On 6 July 1998, the French Parliament passed by 827 votes to 31 a constitutional reform that inserted two articles, 76 and 77, into the French Constitution. Article 76 provided that the people of New Caledonia would be called upon before 31 December 1998 to express their views on the provisions of the Nouméa Accord. Article 77 provided that, following approval of the Accord, a Constitution would be submitted to a vote in Parliament in order to enable New Caledonia to move forward on the basis of the Accord.

6. Prior to the referendum, the two major parties of New Caledonia, FLNKS and RPCR, had both campaigned for approval of the Accord among their respective constituents. The Accord was ratified by New Caledonians in a referendum held on 8 November 1998. With 74 per cent of the electorate voting, 72 per cent voted in favour of the Accord.

7. Following the referendum, the Nouméa Accord provided for the renewal of relations between France and New Caledonia to be translated into a draft organic law and an ordinary law, which were presented in the French Parliament and ratified on 19 March 1999. The Organic Law codified constitutional matters, namely, the powers that would be transferred to the newly created institutions in New Caledonia, the organization of those institutions, rules concerning New Caledonian citizenship and the electoral regime and conditions and deadlines by which New Caledonians would determine their accession to full sovereignty. The Ordinary Law dealt with other, mainly economic and social, matters covered in the Nouméa Accord.

8. The issue of eligibility to vote in future elections in New Caledonia also required legislative action during 1999 (see A/AC.109/2000/4, para. 22). Still pending is the scheduling of a special session of the French Congress (a joint sitting of the National Assembly and the Senate) to ratify a constitutional amendment establishing that only those persons who have resided in the Territory for a specified number of years should be eligible to vote in a future referendum on self-determination. In January 2002, Prime Minister Jospin stated in a meeting with the signatories of the Nouméa Accord that he expected the special session to take place as soon as possible. Following Mr. Jospin's defeat in the French presidential elections in April 2002, the FLNKS spokesperson stated to the media that the pro-independence movement feared that this crucial provision of the Accord might not go ahead.[3] In this respect, in July 2002, the United Nations Human Rights Committee rejected a claim lodged by an association of voters in New Caledonia, which alleged that their exclusion from the voter registry for a future referendum was discriminatory and that the cut-off dates for voters were excessive. The Committee ruled that this was not a violation of the International Covenant on Civil and Political Rights because the cut-off dates set for referendums from 2014 onwards were not excessive "inasmuch as they are in keeping with the nature and purpose of these ballots, namely a self-determination process involving the participation of persons able to prove sufficiently strong ties to the territory whose future is being decided."[4]

B. The new governmental structure

9. New Caledonia continues to vote in French presidential elections and to elect one member of the French Senate and two members of the French National Assembly. However, as a result of the entry into force of the 1999 Organic Law, a new governmental structure was created in the Territory, as described below.

10. The Congress is the legislative assembly of New Caledonia. It comprises 54 members, consisting of 7 from the Provincial Assembly of the Loyalty Islands, 15 from the Provincial Assembly of the North Province and 32 from the Provincial Assembly of the South Province. Members are elected for five years.

11. The Government is the executive power of New Caledonia and is headed by the President. It is elected by the Congress and is responsible to it. It is composed of between 5 and 11 members, the exact number to be fixed by Congress prior to the election of the Government. The Government prepares and executes the decisions of Congress, names public and administrative officers, oversees the execution of public works, manages local resources, gives its opinion regarding projects that involve the mines in the Territory and prepares the codification of the Territory's laws.

12. The provincial assemblies are responsible for all matters relating to the province that are not directly attributed to the President of the Provincial Assembly. The President of the Provincial Assembly acts as the executive of the province and, as such, is responsible for the administration of the province and the management of public employment at the provincial level. Members of the Assembly are elected for five years.

13. The Economic and Social Council advises the Government on projects and possible laws that have an economic or social character. It comprises 28 representatives of professional, labour and cultural organizations, 2 members designated by the Customary Senate and 9 personalities that are representative of the economic, social and cultural life of New Caledonia, designated by the Government on the advice of the provincial assemblies.

14. The Customary Councils are a parallel set of institutions in eight areas and are designed to accommodate the full political recognition of the Kanak identity. In addition, there is a Territory-wide Customary Senate, comprising 16 members, 2 selected by each Customary Council. The Customary Senate is represented in the Economic and Social Council, the Administrative Council, the Consultative Council on Mines and local development agencies. The Customary Senate and the Councils are to be consulted by the executive and legislative organs of New Caledonia on matters that have to do directly with the Kanak identity.

C. Recent political developments

15. Following the ratification of the Nouméa Accord by the people of the Territory and the codification of its provisions into French law, New Caledonia is no longer considered an Overseas Territory. Instead, the Government of France describes it as a community sui generis that has institutions designed for it alone and to which certain powers of State will gradually be transferred and will be non-revocable. The first complete year during which the new territorial institutions were expected to exercise their prerogatives was 2000. According to the French Government, these

institutions remained steady throughout 2001 and 2002, in spite of political uncertainties, and there was progress in redressing the economic imbalance and intensifying regional ties.

16. The principal political parties in New Caledonia continue to be the pro-integration RPCR, the pro-independence FLNKS, which groups together several smaller pro-independence parties, and the Federation des comités de coordination indépendantistes (FCCI), a dissident offshoot of FLNKS that has allied itself with RPCR.

17. The last elections for Congress, the legislative body of New Caledonia, were held in May 1999. RPCR holds 24 of the 56 seats, followed by FLNKS, which obtained 18 seats.

18. In April 2001 the members of Congress elected New Caledonia's executive Government. Pierre Frogier, member of RPCR and of the French National Assembly, was elected New Caledonia's second President. Déwé Gorodey of FLNKS was elected Vice-President. A Kanak university professor, Ms. Gorodey was the first woman to hold this position. The integrationists were still the majority in the new Cabinet, holding 7 out of 11 seats; RPCR held six portfolios, and its ally, FCCI, held one. On the pro-independence side, FLNKS received three portfolios, and one of its components, Union calédonienne (UC), received one. Subsequently, FLNKS lost one of its three seats after the French State Council ruled that there had been electoral irregularities, a decision that further strengthened the RPCR/FCCI coalition.

19. In November 2002 the sole Government member representing the pro-independence UC, Gérald Cortot, resigned, expressing disappointment over the lack of collegiality or power-sharing in the Government (see para. 26 below). The resignation of Cortot and the subsequent resignation of all his UC alternates triggered snap elections under the provisions of the Organic Law specifying that when an outgoing Government member cannot be replaced by the next candidate on the party list, the Government is deemed to have resigned and a new one is to be elected within 15 days.[5] The local media deemed the situation the first institutional crisis in the Nouméa process. It also caused the Pacific Islands Forum to express concern and to state in a communiqué that there was "a great responsibility placed on all political interests in New Caledonia to find a way forward that gives meaning to the concept of collegiality or partnership".[6] The territorial Congress then endorsed a motion supported by its majority caucus (RPCR and its ally FCCI) to make the next Government consist of 10 members, one fewer than the outgoing Government. On 28 November 2002 Congress elected virtually the same Cabinet as the one that was forced to resign, with Pierre Frogier re-elected President and Déwé Gorodey re-elected Vice-President. RPCR/FCCI obtained seven seats, FLNKS two and UC one (to be occupied again by Cortot). A significant change however, was the return to one of the FLNKS seats of Kanak leader Roch Wamytan, who resigned the vice-presidency in October 2001 in the midst of another collegiality dispute (see A/AC.109/2002/13, para. 26).

20. Another territorial institution, the Customary Senate, considered the guarantor of Kanak identity, was formally constituted on 27 August 1999. It has a rotating presidency in order to accommodate each of the seven customary areas. Currently, the Customary Senate is focusing on making French law and customary law compatible and on issues of land tenure. Customary authorities are intervening in

penal cases as part of an experimental case study on Lifou (Loyalty Islands) and are discussing a draft law on judicial practice within the traditional palavers. They are also working to develop the registry of customary lands and seeking innovative ways to make the lands profitable for the community.

21. The last of the territorial institutions, the Economic and Social Council, was formally established on 2 February 2000. It is composed of 39 members, of whom 28 represent professional organizations, labour unions and associations that reflect the economic, social and cultural life of New Caledonia. The Council continues to be consulted by Congress on all economic and social matters.

22. Regarding French State institutions, in the French Senate elections held in September 2001, incumbent Simon Loueckhote of RPCR was elected New Caledonia's Senator for a further nine years. Out of the 484 elected voters (2 National Assembly members, 76 Provincial Assembly members and 406 Municipal Council members), 250 voted for Loueckhote, while 174 voted for Marie-Claude Tjibaou (FLNKS).[7] Regarding the French presidential elections, in the first round held on 21 April 2002, Jacques Chirac (Rassemblement pour la République) obtained 48.38 per cent of the New Caledonian vote, followed by 22.42 per cent for Socialist Lionel Jospin and 10.84 per cent for the National Front's Jean-Marie Le Pen.[8] In the second round, held on 6 May 2002, Chirac obtained 80.72 per cent of the vote to Le Pen's 19.58 per cent. Le Pen's increased vote came from European sectors in the South Province. The FLNKS call for abstention was largely followed by its supporters in the North Province and the Loyalty Islands.[9] In the June 2002 elections for the French National Assembly, New Caledonian voters again returned two members of the pro-integrationist RPCR to their seats, namely, Jacques Lafleur, who has held the seat in Paris for 24 years, and the current President, Pierre Frogier.[10]

23. Regarding the official representation of the French State in the Territory there was a change in the post of High Commissioner. In July 2002 Daniel Constantin succeeded the outgoing High Commissioner, Thierry Lataste.[11]

24. As envisaged in the Nouméa Accord, in 1999 the new institutions began to enact laws of the country (*lois du pays*), which have the full force of law and can be contested only before the Constitutional Council. Since 1999, 24 of these laws have been adopted. Among the 10 adopted in 2002 were those related to social security, tax regulations in the mining and metallurgy sectors, community electricity taxes and the public maritime area.

25. Also set out in the Nouméa Accord are the powers to be exercised in association between the French State and New Caledonia, namely: external relations; entry and stay of foreign nationals; law and order; gambling; audio-visual communication; research and higher education; and secondary education. A number of other services and jurisdictions are to be gradually transferred from the State to the Government of New Caledonia (see A/AC.109/2001/14, para. 21, for a detailed list of jurisdictions to be transferred). In 2002 steps were taken to finalize the transfer of the services for labour inspection, foreign trade, primary education, and mining and energy. According to the Government of France, two State bodies, the Institut de Formation des Personnels Administratifs and the Office des Postes et Télécommunications are to be transferred in early 2003. A number of other powers are to be transferred in a second stage, from 2004 to 2009.

26. In spite of the considerable institutional and administrative advances described above, progress continues to be hindered by the friction between RPCR and FLNKS, owing to their differing interpretations of "collegiality" in Government matters. The debate has grown out of the absence of any precise definition of collegiality in Organic Law No. 99-209 of 1999, which states simply that the Government is responsible collegially and jointly for matters within its competence. At that time, the election of Léopold Jorédié, a member of FCCI, as Vice-President, rather than Roch Wamytan, President of FLNKS and a signatory of the Nouméa Accord, was judged contrary to the spirit of the Accord by part of the pro-independence camp. According to press reports, the Government elected in April 2001, under President Pierre Frogier and Vice-President Déwé Gorodey, was initially seen as moving towards a more desirable collegial spirit.[12] However, the differences between positions on the concept of collegiality and other sensitive issues such as voter eligibility and mining initiatives remained acute throughout 2001 (see A/AC.109/2002/13, para. 25) and were still apparent in 2002. In October 2002 the FLNKS members of the Cabinet refused to move from the Cabinet's downtown building into new Government premises, alleging that the new building was an "annex" to the headquarters of the RPCR-dominated South Province. The FLNKS spokesperson stated, "What we want is a Government that is located on neutral grounds. This is the only way to protect the Nouméa Accord and to pave the way for a real power-sharing."[13] A few weeks later, broad discontent with RPCR's alleged lack of consultation in Government matters was also expressed by pro-independence UC member Cortot when he resigned his seat, thereby triggering new elections (see para. 19 above). President Frogier described the resignation as "a non-event that only casts discredit and is a waste of everyone's time", and, after the 28 November congressional vote that returned a virtually identical Cabinet to power, he stated that power-sharing and collegiality principles were not tantamount to "a right of veto".[14]

27. The political scene was also affected in 2002 by internal divisions within RPCR and FLNKS. Within the pro-integration party, the divisions surfaced in June 2001, when some party members denounced the "monolithic leadership" of its founder and president, Jacques Lafleur. Nonetheless, the leadership isolated the dissidents and Lafleur was re-elected.[15] In the French National Assembly elections of July 2002, Lafleur was again contested from within the Party and forced to a run-off election in order to secure his seat. Information provided by the administering Power also points to the August 2002 creation of the Union pour la majorité démocratique en Nouvelle-Calédonie as a move to unite those within the anti-independence camp who are opposed to Lafleur's policies. In late December 2002 Lafleur issued a written statement saying that he planned to retire from politics, but he did not specify when his retirement would take effect.[16]

28. The divisions within the pro-independence camp have also been very apparent since the October 2001 resignation from the Government of FLNKS leader Roch Wamytam and the growing conflict between the various components of the party. Following a number of conferences it was decided that in 2002 the pro-independence leadership would be placed in the hands of an eight-member, multipartite political bureau with two representatives for each of the four main components of FLNKS (UC, Palika, Rassemblement démocratique océanien and Union des partis mélanesiens. The lack of unity persisted in October 2002, when the pro-independence components competed on separate lists in the municipal elections on Lifou Island.[17]

29. In January 2002 the delegations of RPCR and FLNKS met in Paris with representatives of the French State to hold a second meeting of signatories of the Nouméa Accord. According to the French Government, the discussions focused mainly on the following issues: the FLNKS demand for a special session of the French Congress to pass the constitutional revision (see para. 8 above) to limit the electorate eligible to vote in New Caledonian elections (it was noted that RPCR opposed such a revision); and the FLNKS view that the exercise of government was insufficiently collegial and that the signatories of the Nouméa Accord should meet more frequently. The parties also followed up on issues agreed on in the first meeting of the Committee of Signatories, namely: primary and secondary education, professional and technical training and the evolution of the *cadres avenir* (managers for the future) project; external relations; Kanak identity and culture; the control of the Territory's utility companies; and environmental protection.

30. Speaking at the close of the meeting, Prime Minister Jospin stated the following:

> "I also noted that some criticisms were raised about the functioning of institutions, particularly relations between the majority and the minority, but that the progress made in their functioning was recognized. These few problems, which we will have to resolve, should be viewed against the backdrop of the overall success of the Nouméa Accord, a success now acknowledged throughout the Pacific."

31. The new French Minister for Overseas Territories, Brigitte Girardin, visited New Caledonia from 16 to 19 December 2002 and reiterated France's role as an impartial arbiter in the implementation of the Nouméa Accord. She said:

> "... I believe the main points of the Nouméa Accord are valid and must be respected. Within the juridical limits placed on its powers, the State will exert itself to that end with total impartiality, being conscious of its responsibilities towards New Caledonia. While our Republic is passing through a major new phase towards decentralization, which must be reflected in a considerable increase in local freedoms, New Caledonia, which already has an exceptional status that is thoroughly innovative and unique within the Republic, must not serve as a testing ground for Parisian ideologies. The State must be a partner which respects your constitutional rights and your decision-making autonomy, not only in the communes and provinces, but also at the level of New Caledonia itself. I am here to tell you that in this regard the State must play its role, while strictly respecting the rights and prerogatives of each and every individual, and that it will strive to observe absolute neutrality in implementing its commitments."

32. During the period under review, another political issue continued to cause tension in New Caledonia, namely, ethnic confrontations between Kanaks and settlers from the French territory of Wallis and Futuna.[18] As described in A/AC.109/2002/13, paragraphs 30 to 32, the events took place in the district of Saint-Louis, on the outskirts of Nouméa, where some 1,300 Kanaks and 1,000 Wallisians live. According to press reports, there had been tension for several years following increasing arrivals of Wallisians, but this flared into violent confrontations in December 2001, after which the local Kanak community demanded that all Wallisians leave Kanak tribal land. During disturbances in January 2002, a Kanak man received bullet wounds from which he later died. Further clashes occurred after

his funeral mass in February, with police using armoured vehicles and tear gas, followed by sporadic violent outbursts in March and April, during one of which a senior French police officer was severely wounded by gunshots.[19] According to the French High Commissioner, the inter-ethnic tensions revealed the fragility of the Nouméa process, and he urged the communities concerned to work with State and local institutions towards redressing the social and economic imbalance in the Territory. After many meetings, in November 2002 the chiefs of the Kanak and Wallisian communities agreed to resolve their differences peacefully. The new High Commissioner informed the media that security would still be maintained through 24-hour patrols, that the communities would finally give the investigating police access to their settlements and that both communities had accepted that those responsible for past crimes would be prosecuted. The French Government continues to urge New Caledonia to draw up a formal agreement on the status of Wallisians in the Territory. Meanwhile, in December 2002, the Minister for Overseas Territories signed a €25 million development agreement with Wallis and Futuna aimed at stemming the outflow of the islanders.[20]

D. External relations

33. The legal framework within which New Caledonia may establish external relations is governed by the Organic Law of 19 March 1999. In this respect, the participants at the January 2002 meeting of the signatories of the Nouméa Accord agreed on the importance of developing trade and other relations with the larger actors in the Pacific region (Australia and New Zealand), as well as with other island States, and of building on existing links within regional organizations. Another concern expressed was the need to establish better links within the European Union, given its political, commercial and financial importance. The signatories called for legislative steps to grant the President of New Caledonia powers to negotiate and sign international agreements, requested improved coordination between the French State (through its High Commissioner in Nouméa) and the New Caledonian Government, and agreed that New Caledonian professionals should continue to receive training in diplomacy.

34. In keeping with the foregoing, during 2002 New Caledonia continued to develop its contacts with its Pacific neighbours. On the multilateral front, in June Roch Wamytan visited Vanuatu as the Chairman of the Melanesian Spearhead Group, in July a Pacific Islands Forum delegation made its sixth visit to monitor implementation of the Nouméa Accord, in September New Caledonia hosted the first meeting of Pacific Islands cultural ministers, and in November the Territory hosted a seminar of the Pacific Economic Cooperation Council. Also held during 2002 were the Southern Cross military exercises, which brought together the French armed forces in the Pacific and those of New Zealand, Australia and Tonga, and the tenth anniversary meeting of the FRANZ Agreement on disaster preparedness and emergency assistance between France, Australia and New Zealand. New Caledonia also continued to strengthen its ties within the European Union. In September 2002 a representative of the Territory attended the first European Union-Overseas Countries and Territories (OCTs) Forum, held in the Netherlands Antilles to strengthen relations with the European Union and to ensure that the OCTs receive all the financial and development benefits for which they are eligible.[21]

35. On the bilateral front, in February 2002 New Caledonia signed an agreement on health, education and youth exchanges with Vanuatu, and in August Vanuatu soldiers received training as part of a joint military exercise in the Territory. Links with Australia were increased in March 2002 with the signing of a memorandum of understanding on bilateral trading and the renewal of the twin-cities agreement between Nouméa and Gold Coast, Australia. In addition, President Frogier of New Caledonia was made the head of the France-Australia friendship group in the French National Assembly, which will have a role in President Chirac's programmed 2003 visit to the Pacific, among other matters. Also significant for New Caledonia was the August 2002 signing of a cooperation agreement between France and New Zealand on maritime research and sea rescue operations, similar to the one signed in 1999 with Australia. In another development, Japan announced in April 2002 its intention to open a consulate in Nouméa.

III. Economic data and developments

A. General

36. New Caledonia ranks among the more affluent Pacific nations and has considerable economic assets. According to the Institut territorial de la statistique et des études économiques, the average income in the Territory at the end of 2001 stood at approximately $1,930 per month.[22] However, New Caledonia also suffers from long-standing structural imbalances between the economically dominant South Province and the considerably less developed North Province and Loyalty Islands. Therefore, in the context of the Matignon Accords of 1988 (see A/AC.109/1000, paras. 9-14) and the Nouméa Accord, a large part of the efforts of the Government of France and New Caledonian institutions in the past decade have been aimed at *rééquilibrage*, that is, redressing the balance in terms of infrastructure, social services and employment possibilities among the three provinces. Accordingly, 70 per cent of the State assistance to the Territory is earmarked to be invested in the North Province and the Loyalty Islands and the remaining 30 per cent in the South Province. According to the administering Power, contracts for development projects in New Caledonia for the period 2000-2004 total €636 million, of which 53 per cent is financed directly by the French State. In January 2002, following the second meeting of the signatories of the Nouméa Accord, the French Government announced that its economic assistance to New Caledonia over the coming decade would be invested mainly in the nickel industry, tourism and education.[23] In addition, €19 million has been reserved for investment contracts between the French State and the local government units (*communes*) in the Territory. As at the end of 2002, 14 *communes* had signed contacts with the State, focused on road works, public buildings, new schools, water supplies, sanitation and waste disposal, and five more *communes* were finalizing arrangements. The French State also signed into law fiscal incentives to encourage investment in its Overseas Territories as well as specific tax facilities aimed at strengthening New Caledonia's metallurgy sector, hotel industry, transport sector and public service concessions.

37. According to the administering Power, after a sluggish 2001 New Caledonia's economy remained slow in 2002, and this was reflected in key sectors of the economy, namely, the nickel industry, construction and tourism. Nonetheless, economic fundamentals remained at satisfactory levels: the import-export ratio was

at 47 per cent, 1 per cent lower than the 2001 figure but equivalent to that of other French Overseas Territories, while the consumer price index increased by a moderate 1.5 per cent over the previous year. In December 2002 New Caledonia's Congress narrowly passed a $750 million preliminary budget for 2003. Meanwhile, the media reports that the concept of New Caledonia shifting in the near future from its current French Pacific franc currency to the euro is gaining momentum within the business community. The Chamber of Commerce has commissioned feasibility studies, and its Chairman has stated that the euro would facilitate trade, promote saving and attract foreign investment. On the other hand, the change is opposed by the pro-independence parties, which state that, under the provisions of the Nouméa Accord currency matters are scheduled to become a local competency.[24] In December 2002 the Minister for Overseas Territories stated in her speech to the New Caledonian Congress that the French Government was willing to facilitate the introduction of the euro if and when a consensus was reached on that matter in the Territory.

B. Mineral resources

38. New Caledonia's economy is dominated by the nickel industry. The Territory, the third-largest nickel producer in the world, after Russia and Canada, is estimated to have at least 25 per cent of the world's nickel reserves,[25] is responsible for 6 per cent of the world's nickel output and employs some 3,500 people in mining firms of varying size. Although this highly dynamic sector makes up 80 to 90 per cent of New Caledonia's exports and generates numerous related economic activities, it is fragile in that it is almost entirely dependent on international demand and nickel prices. Thus, emphasis is currently being placed on the development of local metallurgical production (which creates more wealth) rather than on mineral exports. According to the Institut d'émission d'outre-mer (IEOM), while local raw nickel production fell by 22.7 per cent between September 2001 and September 2002, the performance of the sector was largely positive in 2002, given the 40 per cent rise in global nickel prices over the same period. IEOM projected that global demand would allow New Caledonia's surplus nickel production from 2001 to be reabsorbed in international markets. IEOM also expects nickel demand to rise by 8 per cent in 2003, which should have positive effects on the Territory's new mining-related projects.[26]

39. There are currently three major nickel-related projects under way in the Territory, namely, those of Société Le Nickel (SLN), Falconbridge and International Nickel (INCO) (see A/AC.109/2000/4, paras. 30-32, A/AC.109/2001/14, paras. 33-36, and A/AC.109/2002/13, paras. 36-37 for background). While it is hoped that these projects will lead to significant economic growth, they are controversial and, especially in the case of Falconbridge and INCO, still face considerable uncertainty.

40. The first of the three projects is being developed by SLN (the New Caledonian affiliate of the French State-owned company ERAMET), which is investing from €140 million to €190 million in its Doniambo smelter to boost production from 60,000 to 75,000 tons per year. This renovation implies the upgrading of one of Doniambo's three smelters and of another SLN mine, at Tiebaghi.

41. The second project under way is a joint venture between the Kanak-controlled Société minière du Sud-Pacifique (SMSP) and the Canadian company Falconbridge

for the construction of a smelter in the North Province to process nickel from the Koniambo mountains. It is estimated that this smelter will produce some 60,000 tons per year and create 800 jobs directly and 2,000 indirectly. It is also at the heart of a major project to bring wealth and employment to the underdeveloped North Province through the construction of an electric power plant, a deep-water port and a hydraulic dam. Construction is expected to begin in 2004-2005, with completion some three years later.[27] In late 2002, this project was the subject of heated debate between the leadership of the North and South Provinces. According to the media, while the President of the North Province (FLNKS) stressed the primacy of the Falconbridge project and raised environmental concerns regarding concessions being given to INCO in the south, the President of the South Province (RPCR) questioned whether the Falconbridge project would happen at all.[28] In her speech to the Territorial Congress in December 2002, the French Minister for Overseas Territories stressed unequivocal support for the Falconbridge project and added, "The State will spare no effort to further its implementation and will not allow any other project to be undertaken that might jeopardize the completion of the northern plant."

42. The third project is that of INCO, of Canada, which plans to exploit mineral deposits in Goro, South Province. INCO is investing some $1.4 billion in the construction of a nickel- and cobalt-mining plant scheduled to be completed by the end of 2006. Production capacity is expected to reach 54,000 tons of nickel and 5,400 tons of cobalt per year, and an estimated 1,000 jobs are to be created directly and 1,700 indirectly in the process. In September 2002, construction was suspended for several weeks following a strike by local contractors. In addition, a coalition of indigenous Kanak leaders, landowners and environmentalists organized a blockade to protest the environmental impact of the Goro project and to protest further exploitation rights recently granted to INCO in nearby Prony. The coalition called for the establishment of an independent environmental impact study and for New Caledonia to have a larger financial share of the INCO project. In addition, it expressed concerns about an announced influx of foreign workers. In December 2002 INCO announced that it was putting the Goro project on hold for at least six months while it reviewed costs and business trends, because an unexpected surge in estimated engineering and construction costs could add as much as $650 million to the $1.4 billion budgeted.[29]

43. The debate over the impact that new nickel projects will have on New Caledonia's pristine maritime environment began some years ago and became more heated in January 2002 after the French Government officially filed a request with the United Nations Educational, Scientific and Cultural Organization (UNESCO) for New Caledonia's coral reef to be included in the World Heritage List. According to the media, this step was denounced by RPCR as "electorally motivated interference from Paris" and welcomed by FLNKS and environmental groups.[30] However, in September 2002 the new French Government announced that it was withdrawing the request for UNESCO protection of the reef, stating that the measure was useless because it had no binding impact.[31] The French decision was met with strong protests from environmental groups and Kanak leaders. In December 2002 the Minister for Overseas Territories stated before the New Caledonian Congress that the request for UNESCO designation of the reef had been premature, as the three provincial governments had yet to establish their own regulations on environmental matters.

C. Other economic sectors

44. Other sectors that contribute to New Caledonia's gross domestic product (GDP) are public administration, commerce, services, construction and public works, small and medium-scale industry, agriculture and tourism. The construction sector, which accounts for 6.8 per cent of GDP and employs about 14 per cent of the workforce, has seen a decline in activity during 2002, both in public works and housing. Agriculture and fisheries account for only 2 per cent of GDP, but they increasingly occupy a central place in New Caledonian society, employ some 30 per cent of the population and make it possible to contain the rural exodus. Rural development projects are aimed at increasing the local market and thereby decreasing the need for imported food. Fisheries are underdeveloped, with commercial fishing accounting for only a third of the total catch, most of it tuna exported to Japan. However, the North Province and Loyalty Islands authorities are expanding their fishing fleets, and aquaculture has expanded rapidly in the last 10 years.[32]

45. Tourism is regarded as another important sector, but the improvement of airline services remains an important priority for the Territory if it is to be developed further. The record number of visitors (109,587) in 2000 fell by 8.3 per cent in 2001, owing to the financial recession in Japan, the uncertainty of air services, and the cancellation of cruises and tours in the aftermath of the events of 11 September. According to the administering Power, tourist arrivals rose by some 3 per cent in 2002, with 19 per cent more visitors from metropolitan France and 2 per cent more from Australia. However, there was a simultaneous decline in visitors from New Zealand (down 34 per cent) and from Japan (down 2 per cent). Due to the departure of Corsair, Continental-Micronesia and AOM-Air Liberté airlines, and Air France's planned closure of its New Caledonia operations in 2003, the Government of New Caledonia has focused in recent years on ensuring sustainable airline links to the Territory and obtaining support from the French Ministry of Transport to this end. As a result, the Territory has processed the tax-exempt purchase of two French-built Airbus A-330 aeroplanes for its flag carrier, Air Calédonie International (AirCalin). As of March 2003, AirCalin will take over the Nouméa-Tokyo route run by Air France. The new aircraft will also be put into service on routes from Nouméa to Australia, New Zealand and French Polynesia. In addition, improved security equipment valued at $1.5 million has been installed at Nouméa's International Airport.[33]

D. Labour

46. According to the administering Power, 9,614 persons were unemployed at the end of September 2002, 6.7 per cent more than in the previous year. However, it also notes that the 2001 figure was remarkably low, as a result of the fact that many unemployed persons were not registered as such, as they were receiving training for future job openings at the Goro nickel project. The same source notes that labour disputes are frequent in New Caledonia, and that these lead to many hours of lost productivity because of strikes and lockouts. In 2002 labour disputes occurred mainly within the mining sector, with the Syndicat des ouvriers et employés de Nouvelle-Calédonie leading strikes at the sites of SLN and SMSP. There was also a two-week strike by radio and television workers in June 2002.[34] Another labour-

related issue in the news in 2002 stemmed from the entry into force of a unified health insurance scheme covering illness and maternity. Teachers staged a strike against it in June 2002, and in July members of an independent workers union and of small and medium-sized businesses demonstrated against the new compulsory contribution system. Three protesters were injured when police fired tear gas and rubber bullets.[35] According to the administering Power, subsequent proposals, made jointly by the French State and the New Caledonian Congress and executive in November 2002, allowed the new insurance scheme to be fully implemented.

IV. Consideration of the question by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

47. Representatives of the Government of New Caledonia and representatives of the FLNKS party participated in the Pacific Regional Seminar organized by the Special Committee to review the political, economic and social conditions in the small island Non-Self-Governing Territories, held in Nadi, Fiji, from 14 to 16 May 2002. A representative of France also attended the seminar as an observer.

48. During the seminar the representative of New Caledonia, Vice-President Déwé Gorodey, stated that the participation of her Government in the meetings of the Special Committee enabled it to form a clearer understanding of how the United Nations viewed her country and allowed it to present the United Nations with a more comprehensive picture. In the year that had elapsed since the 2001 Havana seminar of the Special Committee, the Government of New Caledonia had given priority to the systematic implementation of the directives contained in the policy statement made by the President on 5 May 2001 before the Congress on behalf of the consensual Government. The Government had adopted a comprehensive medical insurance plan that would provide every citizen, on an equal basis, with protection against health hazards; considerable tax incentives had been implemented to encourage job-generating investments not only in the nickel-industry sector but also in the areas of tourism, aquaculture and the food industry; and an agreement on cultural development had been signed with the Government of France. Recent economic projects (such as a nickel- and cobalt-processing plant and a feasibility study for the construction of a smelting plant) bore witness to investors' confidence in the stability of New Caledonia and the ability of the country's men and women to respond to the challenges they faced. The fourteenth Melanesian Spearhead Group summit had been held in Nouméa, and the Government of New Caledonia had participated in the thirty-second meeting of the Pacific Islands Forum, in Nauru. Those meetings had highlighted the marked readiness of the Pacific island countries to integrate New Caledonia speedily into the life of the region and underlined their ongoing support for the process begun by the Nouméa Accord. In July 2002 New Caledonia would welcome a ministerial delegation from the Pacific Islands Forum on a fact-finding visit in connection with the current situation and implementation of the Nouméa Accord. In conclusion, the representative of New Caledonia stated that she was convinced that New Caledonia was moving in the right direction, towards a common destiny.

49. The representative of FLNKS, Charles Washetine, stated that his movement acknowledged the efforts of the General Assembly and the work of the Special Committee in proposing and agreeing to declare the Second International Decade for the Eradication of Colonialism. He stated that at the dawn of a new millennium it was inconceivable that there should still be vestiges of colonialism and neo-colonialism. Since New Caledonia had been reinscribed on the list of Non-Self-Governing Territories by General Assembly resolution 41/41 A of 1986, the close attention of the United Nations to the decolonization process had been a determining factor in the struggle of the indigenous people for freedom and independence. The minority Kanak people believed that the support of the States Members of the United Nations had been a central factor in ensuring that France, in deciding the fate of New Caledonia, would take into account the legitimate rights of the Kanak people and not simply the electoral majority created by the process of colonial settlement. FLNKS sought vigilant monitoring by the United Nations, together with the co-signatories of the Nouméa Accord, to ensure strict adherence to implementation of the Accord. Each element of the Accord was crucial if the international community was not only to respond to the aspirations of New Caledonians but also to bring about real decolonization for the Kanak people. The United Nations should remain vigilant to ensure that the evolving status of New Caledonia would lead to the complete decolonization and full emancipation of the Kanak people.

50. In the report of the Pacific Regional Seminar, the participants noted the following:

> "The Seminar, while recognizing the significant developments that have taken place in New Caledonia, mainly the signing of the Nouméa Accord on 5 May 1998 between representatives of the political forces of New Caledonia and the Government of France, takes the view that the United Nations should continue to watch closely and keep under review the process unfolding in the Territory. The Seminar has considered the different points of view expressed by the participants about compliance with the provisions of the Accord and urges the concerned parties to implement the provisions of the Accord in a spirit of harmony and cooperation. The Seminar recalls the visit to New Caledonia by a delegation of representatives to the United Nations in 1999 and recommends that those missions visit the Territory regularly during the transition period."[36]

51. The report of the seminar also stated that the Special Committee should note with satisfaction the cooperation of France and New Zealand in the process of decolonization and welcome their presence at Special Committee meetings.

52. The Special Committee considered the question of New Caledonia at its 7th meeting, on 17 June 2002 (see A/AC.109/2002/SR.7). At the same meeting the representative of Papua New Guinea introduced draft resolution A/AC.109/2002/L.13. He said that consultations had been held with representatives of France and that consultations with representatives of New Caledonia, including FLNKS, were continuing, although there were some difficulties in this process. The text of the draft resolution in its current form was acceptable, however, and he called on the Committee to adopt it. The Special Committee adopted the draft resolution (A/AC.109/2002/23) without a vote.

B. Special Political and Decolonization Committee (Fourth Committee)

53. At the 3rd meeting of the Special Political and Decolonization Committee (Fourth Committee), on 1 October 2002, the representative of Papua New Guinea made a statement and noted, inter alia, that with the good will of all parties concerned it should be possible to make progress on the cases of New Caledonia and Western Sahara. He added that the Government of Papua New Guinea joined others in calling on all parties in those Territories to place the interests of the Kanak and Saharan people at the top of their agenda (see A/C.4/57/SR.3).

54. At its 6th meeting, on 4 October 2002, the Fourth Committee adopted the draft resolution on the question of New Caledonia without a vote (see A/C.4/57/SR.6).

C. General Assembly

55. At its 73rd plenary meeting, on 11 December 2002, the General Assembly adopted resolution 57/136 on the question of New Caledonia without a vote (see A/57/PV.73).

Notes

[1] The information contained in the present report has been derived from information transmitted to the Secretariat by the Government of France on 22 January 2003 and from published sources.

[2] Oceania Flash, 12 April 2002.

[3] Radio Australia, 24 April 2002.

[4] CCPR/C/75/D/932/2000 (15 July 2002), para. 14.7.

[5] Oceania Flash, 15 November 2002.

[6] Pacific Islands Forum Secretariat, news release, 14 November 2002.

[7] Oceania Flash, 24 September 2001, and *Le Monde*, 25 September 2001.

[8] Agence France Press, 22 April 2002, and *Le Monde*, 23 April 2002.

[9] Les Nouvelles Calédoniennes, 6 May 2002.

[10] Oceania Flash, 17 June 2002.

[11] Agence France Press, 31 July 2002.

[12] Les Nouvelles Calédoniennes, 6 April 2001.

[13] Oceania Flash, 16 October 2002.

[14] Ibid., 20 November and 29 November 2002.

[15] Oceania Flash/SPC, 26 June 2001.

[16] Oceania Flash, 28 December 2002.

[17] Ibid., 16 October 2002.

[18] There are about 20,000 Wallisians in New Caledonia, more than those remaining in the Territory of Wallis and Futuna.

[19] Oceania Flash, 10 December 2001, 11 and 13 February 2002 and 23 April 2002; Radio Djiido/PINA Nius, 17 February 2002; Agence France Press, 2 April 2002; Radio Australia, 4, 5 and 15 April 2002.

[20] Oceania Flash, 11 November and 23 December 2002.

[21] See the Final Declaration of the Overseas Countries and Territories 2002 Ministerial Conference, Bonaire, Netherlands Antilles, 18 September 2002.

[22] Oceania Flash/SPC, 19 December 2001.

[23] Agence France Press, 22 January 2002, Economist Intelligence Unit, 21 March 2002.

[24] Oceania Flash, 23 October 2002 and Economist Intelligence Unit, *ViewsWire*, 18 December 2002.

[25] Economist Intelligence Unit, Country Report, December 2002.

[26] Les Nouvelles Calédoniennes, 16 July 2002, and IEOM *Bulletin Trimestriel de Conjoncture*, November 2002.

[27] Oceania Flash, 6 December 2002.

[28] Oceania Flash, 9 October 2002, and Economist Intelligence Unit, Country Report, December 2002.

[29] PINA Nius, 29 December 2002.

[30] *Le Monde* and Oceania Flash, 28 February 2002.

[31] PINA Nius, 19 September 2002.

[32] Economist Intelligence Unit, New Caledonia Country Profile 2002/2003.

[33] Oceania Flash, 6 November 2002, and PINA Nius, 30 December 2002.

[34] Radio New Zealand International, 10 June 2002.

[35] Agence France Press, 1 July, and Oceania Flash, 2 July 2002.

[36] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 23* (A/57/23), chap. II, annex, "Developments in Non-Self-Governing Territories", para. 44.